

WASHINGTON (July 21) – On a bipartisan vote of 241 to 173, the House of Representatives approved legislation to bring accountability, transparency, and oversight to the Consumer Financial Protection Bureau (CFPB).

The legislation was moved to the floor by Congressman Spencer Bachus (AL-6), Chairman of the House Financial Services Committee.

The Dodd-Frank Act, signed into law a year ago, established the CFPB as an independent bureau within the Federal Reserve. Under Dodd-Frank, the CFPB is run by a single director who has sole authority over the agency's 1,000-plus government employees and can spend its budget of hundreds of millions of dollars without any oversight. The CFPB director also has the authority to decide which financial products and services will be available to American consumers.

The CFPB director's mandates can be overturned, but only in extremely limited and highly unlikely circumstances by a small group of fellow Presidential appointees – one of whom is the CFPB director.

Congressman Bachus said, "No Federal bureaucracy should operate without accountability and effective checks and balances. This bill brings needed structural reforms to ensure the CFPB is fair and effective in protecting consumers. As a result of the changes, the bill promotes robust consumer protection and certainty for our economy by ensuring the rules issued by the Bureau are consistent and do not endanger the safety and soundness of financial institutions."

H.R. 1315, introduced by Rep. Sean Duffy and co-sponsored by Chairman Bachus and Rep. Shelley Moore Capito, improves the structure of the CFPB by:

- establishing a five-member, bipartisan commission to manage the Bureau, which Congressional Democrats previously supported;
- creating a meaningful review process of rules promulgated by the CFPB that takes into consideration how a proposed rule could endanger the safety of consumers' financial institutions; and
- ensuring there is a Senate confirmed chair of the commission before the CFPB exercises

its new regulatory authority.

Rep. Duffy said, “The House has taken an important step to help establish a job-friendly environment, protect consumers and turn this economy around. I thank Chairman Bachus and Congresswoman Capito for their help and strong leadership in ensuring the passage of this bill to increase government accountability and consumer protection.”F

inancial Institutions and Consumer Credit Subcommittee Chairman Shelley Moore Capito said, “Today’s vote sends a strong message to the President that Congress is intent on implementing necessary reforms to ensure the new CFPB is stronger and more accountable. This bill is as commonsense as it gets: making sure the FSOC can assess safety and soundness issues, putting a five-member leadership board in charge like most other product regulators and clarifying what powers do and do not transfer if the directorship remains vacant. I’d like to thank Chairman Bachus and my colleague Mr. Duffy for their leadership on this important issue.”